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LOAN DOCUMENTATION GUIDELINES

for

THE EMERGENCY STEEL GUARANTEED LOAN PROGRAM

THE FOLLOWING GUIDELINES (THE “GUIDELINES”) ARE INTENDED FOR USE BY APPLICANTS FOR LOAN GUARANTEES UNDER THE EMERGENCY STEEL LOAN GUARANTEE ACT OF 1999, PUB. L. NO. 106-51 (THE “ACT”) AND THE REGULATIONS PROMULGATED THEREUNDER, 13 C.F.R. PART 400 (THE “REGULATIONS”). THESE GUIDELINES ARE NOT INTENDED AND SHOULD NOT BE CONSTRUED AS A RECOMMENDATION TO POTENTIAL LENDERS BY THE LOAN GUARANTEE BOARD (THE “BOARD”) OR BY ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES TO LEND UNDER THE EMERGENCY STEEL GUARANTEED LOAN PROGRAM (THE “PROGRAM”) OR THE TERMS UNDER WHICH ANY SUCH LOAN SHOULD BE MADE. APPLICATIONS FOR AN EMERGENCY STEEL LOAN GUARANTEE (A “GUARANTEE”) WILL BE EVALUATED BY THE BOARD IN ACCORDANCE WITH THE CRITERIA SET OUT IN THE ACT AND THE REGULATIONS. CONFORMITY WITH THE GUIDELINES WILL NOT NECESSARILY RESULT IN THE ISSUANCE OF A GUARANTEE BY THE BOARD.

The Guidelines should be read in conjunction with the Act, the Regulations, the form of Application and the form of Guarantee Agreement provided by the Board. Capitalized terms used but not otherwise defined in these Guidelines have the meanings given in the Regulations.

The Regulations require that Applications for Guarantees (each, an “Application”) must be submitted to the Board no later than February 28, 2000.

Applications initially will be reviewed by the Board to determine whether the Lender and the Borrower are eligible, the information required under the Regulations is complete, and the

proposed loan complies with the Act and the Regulations. Any Application that does not meet these threshold requirements may be rejected by the Board at any time.

The Board will compare on a competitive basis all Applications determined to be eligible based on the Board's initial screening. The Board's substantive review and competitive evaluation of eligible Applications will be based upon the following criteria, in order of importance:

- (1) the ability of the Borrower to repay the loan by the date specified in the Loan Documents, which shall be no later than December 31, 2005;
- (2) the adequacy of the proposed provisions to protect the Government, including sufficiency of Security, the priority of the lien position in the Security, and the percentage of the loan which is requested to be guaranteed; and
- (3) the adequacy of the underwriting analysis performed by the Applicant in preparing the Application, and the ability of the Lender to administer the loan in accordance with the terms of the Guarantee Agreement, including, without limitation, the requisite standard of care set forth in the Guarantee Agreement.

Given the nature of these substantive evaluation criteria, Applicants should structure and document proposed loans and their underlying Security so as to provide the highest possible assurance that the loans will be repaid by the Borrowers when and as due without resort to the Guarantee. The Board reserves the right to make any offer to extend a Guarantee contingent upon specific changes to the Loan Documents.

The following Guidelines identify provisions and protections which should be incorporated, at a minimum, in the proposed Loan Documents. The suggested provisions and protections should be tailored to the specific circumstances of the Borrower and terms of the loan.

BY NO MEANS SHOULD AN APPLICANT CONSIDER THE GUIDELINES TO BE AN EXHAUSTIVE LIST. ALL LOAN DOCUMENTS SHOULD BE PREPARED BASED UPON THE HIGHEST LENDING STANDARDS AND PRACTICES, AND SHOULD INCLUDE ALL APPROPRIATE PROTECTIONS FOR THE BENEFIT OF THE LENDER AND THE BOARD. THE LOAN DOCUMENTS SHOULD NOT CONTAIN ANY PROVISION WHICH IS INCONSISTENT WITH THE TERMS OF THE GUARANTEE.

I. Representations and Warranties of Borrower.

(a) bringing down to the date of closing of all certifications made to the Board in connection with the Application, including, without limitation, eligibility of the Borrower and Lender for a Guarantee under the Program;

(b) accuracy of financial statements and absence of any material adverse change since the submission to the Board of the Application in the value of the Security or in the business, operations, assets, liabilities (contingent or otherwise), prospects or financial condition of the Borrower;

(c) legal status of the Borrower, power and authority to execute, deliver and perform the Loan Documents, including the note and security agreements;

(d) due execution and delivery and legality, validity and binding effect of the Loan Documents, note and security documents, including any third-party guarantees;

(e) non-contravention by such execution, delivery and performance of applicable law or of any provision of documents under which the Borrower and any third-party guarantor is organized or material agreements, including financing agreements, to which either is a party;

(f) no current or incipient violations of law or of material agreements, no pending or threatened litigation or governmental investigations, no outstanding tax or other liabilities except as are being contested and for which appropriate reserves are established;

(g) no liens on property of the Borrower or other assets pledged to secure the loan except as disclosed and permitted; perfection and enforceability of security interests and priority of indebtedness under the Loan Documents;

(h) year 2000 preparedness and compliance;

(i) confirmation of the plan of reorganization, in the case of a loan extended in connection with a Chapter 11 bankruptcy proceeding; and

(j) in connection with use of loan proceeds for asset acquisition, appropriate representations and warranties concerning, without limitation, the validity of such acquisition and title to the asset acquired, value of the asset, and nonexistence of liens against the asset.

II. Covenants of Borrower.

(a) limitation on use of proceeds of the loan to the purposes stated in the Application, which shall not be for the repayment of any outstanding obligation to the Applicant;

(b) delivery of financial statements, information and notices as required by the Lender in order to comply with its reporting obligations under the Guarantee Agreement;

(c) submission to annual audit by the General Accounting Office and an independent auditor acceptable to the Board in its sole discretion;

(d) payment of the Board's administrative fee in the amount one half of one percent (0.5%) of the maximum principal amount of the loan;

(e) prohibition of dividends (required pursuant to Section 400.211(d) of the Regulations), return of equity or similar payments by the Borrower;

(f) limitations on compensation of officers and directors;

(g) maintenance of collateral and continuation of security interests, and prohibition of additional liens other than subordinated liens;

(h) compliance with law applicable to the Borrower, including, without limitation, labor, benefits and environmental laws;

(i) maintenance of legal existence, properties, insurance and governmental authorizations, and prohibition of sale or disposition of assets or discontinuation of operations;

(j) limitations on incurring additional indebtedness, including guarantees of the indebtedness of others, and on incurring obligations for lease payments or for the purchase price of acquired assets;

(k) limitation on or prohibition of early amortization of other indebtedness, including particularly subordinated indebtedness;

(l) limitations on the disposition of unearned revenues and on forward sales;

(m) discharge of judgements and payment of material obligations, including for taxes, except as may be contested in good faith and for which adequate reserves are established;

(n) maintenance of cash flow to debt service, debt to equity, asset to liability, or other similar appropriate financial ratios;

(o) prohibition of merger or consolidation;

(p) limitation on investments;

(q) limitation on making loans or extending credit;

(r) limitation on new business activities;

(s) limitation on transactions with affiliates; and

(t) waiver of trial by jury.

III. Events of Default. Subject to appropriate and customary grace periods:

(a) nonpayment of principal, interest, fees or other amounts under the Loan Agreement;

(b) inaccuracy of representations and warranties in any material respect;

(c) violation of or failure to observe any covenant;

(d) cross-default to other debt and to breach of material agreements; and

(e) bankruptcy or other insolvency events, with automatic acceleration.

IV. Miscellaneous Provisions.

(a) Multiple Lenders. Under the terms of the Guarantee Agreement, loans with more than one Lender will be administered by an agent ("the "Agent"), which will be the Lender submitting

the Application to the Board. The Agent should be allocated an interest in the Loan equal at least to the lesser of (i) \$25 million or (ii) 15% of the aggregate amount of the Loan. Under the Guarantee Agreement, all the Lenders will be bound by the acts of the Agent. Accordingly, the Loan Documents should include (i) provisions authorizing the Agent to act on behalf of the Lenders under the Guarantee Agreement, (ii) appropriate voting provisions addressed to actions the Agent may be required to take under the Guarantee Agreement, and (iii) appropriate indemnities. Applicants should bear in mind that the Board will consider such provisions, as well as other Lender rights and obligations under the Loan Documents, also from the perspective of a post-default assignee of rights under the Loan Documents. Also, the Board has determined that it will consider Applications for multi-Lender Loans which allocate interests in the guaranteed and unguaranteed portions of the Loan differently among the Lenders; provided, however, that (i) every Lender, other than the Agent, is allocated an interest in the unguaranteed portion of the Loan representing no less than five percent (5%) of such Lender's overall interest in the Loan, and (ii) the Agent is allocated an interest in the unguaranteed portion of the Loan which, as a percentage of the Agent's overall interest in the Loan, is equal to the percentage of the aggregate amount of the Loan which is not guaranteed

(b) Transfers and Assignments. The Loan Documents should include provisions restricting transfers of Lender interests consistent with the restrictions set out in the Act, the Regulations and the Guarantee Agreement.

(c) Security Agreements. The Borrower's obligations under the Loan Agreement must be secured in accordance with Sections 400.204(c) of the Regulations. The Application, therefore, must include drafts of any third-party guarantees and of all agreements and instruments which are necessary, customary or advisable to establish and perfect the security interests in the collateral specified in the Application as securing the loan or the obligations of any third-party guarantor of the loan. Such documents should including, as applicable, security agreements, pledges, mortgages, trust deeds, subordination agreements, guarantees, powers of attorney, custody agreements, payment instructions, financing statements and the like, and should provide for evidence of filing, recordation or delivery. In the case where the security interests underlying the loan rank pari passu with other indebtedness, such documents should include appropriate intercreditor or common security agreements. All security documentation should be consistent with or otherwise anticipate changes in requirements for perfection which may result from adoption of the proposed new Article 9 of the UCC. All security interests and guarantees should be given expressly in favor of the Lender and the Board as their interests may appear under the Guarantee Agreement. The rights of any third-party guarantor against the Borrower and against any collateral constituting part of the Security should be expressly subordinated to the rights of the Lender and the Board under the Loan Documents, and any such third-party should agree that it will not exercise any of its rights until the Lender and the Board are paid in full.

(d) No Discharge of Borrower's Obligations. The Loan Documents should contain acknowledgements by the Borrower and any third-party guarantor that payment by the Board to the Lender under the Guarantee would not reduce, discharge, satisfy or terminate any obligation of the Borrower or such a third-party under the Loan Documents.

V. Provisions for Construction Loans . In the event that a Guarantee is requested in connection with a project financing or construction loan, the following additional Borrower covenants should be included in the Loan Documents together with any such additional provisions as may be necessary or advisable to assure timely completion to specifications needed for requisite cash flow generation:

- (a) parent company, contractor or other third-party guarantee of project completion within a fixed time period, subject only to customary relief for force majeure;
- (b) independent monitoring and periodic reporting of project progress;
- (c) limitations on change in project scope, change in contractors or operator, or amendment of or waiver under project contracts without consent;
- (d) limitation on disbursement of loan proceeds without demonstrated achievement of project milestones;
- (e) operation and maintenance of project in accordance with industry standard practices and procedures; and
- (f) in the case of project financing, provisions and agreements providing Lender and the Board with recourse beyond the project assets and cash flows to the extent necessary for adequate Security.

VI. Notes, Opinions and Certificates

(a) Notes. The payment obligations of the Borrower under the Loan Agreement should be evidenced by one or more notes.

(b) Opinions. The Application should include proposed opinions of counsel, addressed to the Board as well as the Lenders, to the effect of the following and such other matters as appropriate in the circumstances, and subject only to customary assumptions and qualifications:

(i) legal existence, power and authority, and due authorization of the Borrower, any third-party guarantor, each Lender and any Agent, and each other party for the execution, delivery and performance of each of the Loan Documents to which it is a party;

(ii) legality, validity, binding effect and enforceability of each of the Loan Documents as to each party thereto;

(iii) non-contravention of applicable law or any provision of documents under which the Borrower, any third-party guarantor, each Lender and any Agent, and any other party to the Loan Documents is organized or of material agreements to which it is a party;

(iv) no governmental approval, authorization, filing or registration necessary; and

(iv) priority and perfection of security interests created under the Loan Documents.

(c) Certificates. In addition, officer's certificates should be provided addressed to the authority and incumbency of individuals executing the Loan Documents and to the perfection of security interests.